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Subject: FW: I.C. Q1 Investor Update

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Dear Investors:

Following up on the NAV reports that were sent out earlier this week by Triple Leo, we wanted to provide you with some additional details regarding the Fund's performance YTD and our projections going forward.

Market Overview

Sentiment seems to have improved across the board, with institutions (Fidelity) and corporate entities (i.e. Facebook, Jaguar, and others) bolstering confidence in the sector. That has been reflected in the market cap of cryptocurrencies, with BTC recently surpassing \$100B in market cap. Despite concerns over liquidity reserves at a systemically-important exchange, Bitfinex, and a security breach at another, Binance, the market has continued on an upward trajectory throughout most of the year. In all, launching amid the market crash of 2018 has been a strategic benefit, allowing us to position ourselves in the most valuable investment area (mining) with little resistance or competition, as compared to similar outfits starting out today.

Current Portfolio

Investments in cryptocurrencies are stated at fair value based on closing prices published by coinmarketcap.com at 11:59 pm UTC on the valuation date.

As of 3/31/2019:

- a. The liquid portion of the fund (Iterative Capital Master) held liquid investments valued at approximately \$1,709,000 (\$687,000 in cash).
- b. The illiquid side pocketed portion of the fund (Iterative Mining Master) held liquid investments valued at approximately \$1,533,000 (\$11,000 in cash).
- c. Iterative Mining Master held mining equipment at a book value of approximately \$4,700,000 (\$6,500,000 acquisition cost less \$1,800,000 accumulated depreciation).

Adjustments to book value of mining equipment

As communicated in the investor letter dated September 10, 2018, the fund values mining equipment at cost less depreciation throughout the year. However, for the fourth quarter and audited year-end financial statements, the mining equipment was adjusted to fair value, defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. This resulted in a \$367,519 unrealized gain on mining equipment in Q4 2018.

In accordance with Iterative Mining Master's (IMM) valuation policy as communicated on September 10, 2018, the fair value adjustment made in Q4 2018 was reversed in Q1 2019, bringing the book value of IMM's mining equipment back to cost less depreciation. This resulted in an unrealized loss of \$367,519 in Q1 2019.

Depreciation of mining equipment

Iterative Mining Master depreciates ASIC mining equipment over 18 months and depreciates GPU mining equipment over 48 months.

- a. In Q1 2019 Iterative Mining Master booked approximately \$815,000 in depreciation.
- b. By comparison, depreciation in Q4 2018 totaled approximately \$407,000.
- c. The increase in depreciation during Q1 2019 is the result of a large number of new ASIC miners being placed into service at the end of 2018 and beginning of 2019.

As a result of the book value adjustments and the depreciation & amortization of the hardware, the NAV showed a slight loss of approximately ~4%. Had it not been for these items, the portfolio would have reflected an increase in line with the overall market's positive trajectory.

Mining revenue

Iterative Mining Master recognizes revenue from mining activities based on the fair value of the cryptocurrency as of 11:59 UTC on the date it is received.

- a. In Q1 2019 Iterative Mining Master generated approximately \$672,000 in income from cryptocurrency mining activities.

Gain and loss on cryptocurrency positions

- a. The liquid portion of the fund (Iterative Capital Master) realized losses during the quarter of approximately \$368,000. This is offset by approximately \$564,000 in unrealized gains during the quarter, which resulted in a net portfolio gain of approximately \$196,000.
- b. The illiquid portion of the fund (Iterative Mining Master) had unrealized gains of approximately \$465,000. A substantial portion of these gains resulted from the appreciation of coins mined during the quarter.

Q2 2019 Update / Projections

- a. To date in Q2 2019 Iterative Mining Master has generated approximately \$330,000 in revenue through mining.
- b. On the mining side, IMM has unrealized gains for the quarter of approximately \$202,000.
- c. The liquid portion of the fund has unrealized gains for the quarter of approximately \$227,000.

Administrative

Cohen & Co is completing its audit of the master funds and has stated a completion timeline of early to mid June for providing final K-1s. We will be sharing those with investors as soon as they are ready.

Concluding Remarks

As cryptocurrency prices continue to rise, our mining margins/profits will continue to widen and our monthly and quarterly yield should bear out our accumulation strategy. We continue to outperform our projection models and feel confident in our current standing. We thank you all for your trust and confidence and look forward to delivering strong results at the end of our mining period.

Best,

The I.C. Team